

MEMORANDUM OF UNDERSTANDING

Purpose Stellex Capital Management LP (the “Company” or “Stellex”) intends to retain Adi Pekmezovic and Chris Whalen (collectively, the “Executives”) to lead and manage long only credit funds focused on investing primarily in middle market healthy, stressed and distressed debt obligations (“Adirondack”) on behalf of Stellex and certain investors.

The intent of this memorandum is to outline the basic duties, terms, conditions and other matters for such roles. Final terms will be incorporated in documentation mutually agreed to by Stellex and the Executives.

Structure Adirondack Credit LLC (“AC LLC”) will serve as the general partner (GP) to Adirondack Credit Management LP (“ACM LP”).

- AC LLC will retain governance over all Adirondack activities.
- AC LLC will be owned by Stellex.

ACM LP will be the day-to-day management entity for all future Adirondack credit vehicles (collectively, the “Adirondack Credit Vehicles” or “ACVs”).

- ACM LP will directly employ the Executives and all other Adirondack professionals.
- ACM LP will be owned by Stellex.

Future Adirondack Credit Vehicles (each and “ACV”) will enter into investment management agreements with ACM LP and GP arrangements with newly formed entities controlled by AC LLC (each, an “ACV GP”) that contemplate all performance profits and net fee income from Adirondack Credit Vehicles will revert to ACM LP through the ACV GP’s.

Governance The Executives, Ray Whiteman and Mike Stewart will be Managing Members of AC LLC. Matters described as requiring AC LLC approval below will require the approval of a majority of the Managing Members.

The Executives, Ray Whiteman and Mike Stewart will be members of the Investment Committee of ACM LP.

The Executives will be Fund Heads of ACM LP and will have rights and duties outlined herein; day-to-day scope of authority to be mutually agreed upon.

Principal Terms of Employment for Each Executive:

Position Each Executive will serve as (i) Partner and Managing Director of AC LLC, (ii) a Partner and Managing Director of ACM LP, pursuant to which Executive will be eligible to receive a salary and bonus, in each case as described

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	<p>below. Executive will report directly to the Managing Partners of the Company.</p> <p>In addition, each Executive will serve as a member of the Investment Committee and as an Approved Executive Officer within the meaning of ACV LPAs.</p>
Salary	Each Executive will receive a base salary ("Base Salary") from ACM LP in the amount of \$350,000 per annum.
Bonus	After the final closing of the first Adirondack Credit Vehicle, Base Salary for the Executives will increase to the amount of \$400,000 per annum and Executives may receive a discretionary annual bonus from ACM LP in an amount up to 150% of Base Salary, determined in good faith by the Managing Partners. Commencing with the bonus with respect to services performed during 2018, any such bonus shall be paid on or before April 1 of the following fiscal year.
Start Date	[NOT LATER THAN 5/23] (Executive to insert here)
Health Benefits	Each Executive is eligible to participate in all health and fringe benefits programs generally made available for the senior executives of Stellex.
Carried Interest Participation	<p>Each Executive shall be entitled to 25% of any carried interest from the Adirondack Credit Vehicles collected by ACM LP or any ACV GP, earned 20% per year over a four-year vesting schedule that commences on the final closing of an Adirondack Credit Vehicle with the final 20% vesting upon the liquidation of the relevant Adirondack Credit Vehicle.</p> <p>Such Carried interest may be subject to dilution at Executive's discretion subject to organizational compensation requirements referred to herein below.</p>
Net Fee Income Participation	Executive shall be entitled to 25% of any net fee income (cash profit), if any, earned by ACM LP (after payment of all ACM LP expenses, including any salary and bonus to Executives) which shall be earned on a pro rata basis over a five-year vesting schedule that commences on the final closing of an ACV.
GP Investment	Executive shall be required to fund 25% of any GP capital commitment required by the ACV LPAs.

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Termination	Consistent with the terms of current Stellex Management LPA (language to be provided).
Severance	Consistent with the terms of current Stellex Management LPA (language to be provided).
Non-Competition; Restrictions	Consistent with the terms of current Stellex Management LPA (language to be provided).
Expense Reimbursement	Reasonable out-of-pocket costs relating to Executive duties; formation as it relates to this MOU, and; legal costs arising after Executive separates from current employer
Confidentiality	Each of the Company and each Executive agree that the terms set forth in this Summary of Principal Terms are confidential. These terms and the fact that discussions are taking place with respect to the matters described herein may not be disclosed by either the Company or either Executive without the prior written consent of the other; provided that disclosure may be made to the Company's and such Executive's attorneys, accountants, tax consultants, state and federal tax authorities or as may otherwise be required under applicable law or by court order.

Primary Responsibilities & Duties of Executives Prior to Final Closing of First ACV:

Organization	<p>Team recruitment and retention</p> <ul style="list-style-type: none"> • Recruiting and retention of Senior Advisors. • Identification of other senior, mid and junior staff (to be hired in conjunction with commencement of management fees); team size dependent on magnitude of AUM. • Assumes Stellex personnel to handle trading and back-office/administrative functions. <p>Executives will consult with Stellex on staffing matters, but otherwise Executives will have significant latitude to staff Adirondack as they see fit.</p>
Branding	<p>Development of branding and messaging plans which may include, but not be limited to:</p> <ul style="list-style-type: none"> • Naming, logo and other creative works. • Website construction. • PR and media plans.

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AC LLC approval required on all related Branding matters.

Budgeting	<p>Preparation of pre- and post-first fund budgets</p> <ul style="list-style-type: none">• Budgets subject to approval of Stellex.• Approved pre-first ACV closing budget shall be funded by Stellex (initial and total funding amounts to be agreed upon), including the base salaries of such Executives.
Fundraising	<p>Preparation of all necessary marketing materials Participation in fundraising meetings Consultation and agreement with Stellex on key LP terms Oversight of documentation</p> <ul style="list-style-type: none">• Stellex approval required on all LP documentation. <p>Stellex is expected to play an active role collaborating with Executives on all Fundraising matters.</p>
Financing	<p>Securing and documenting third party financing in furtherance of Adirondack strategy</p> <ul style="list-style-type: none">• Stellex operations personnel to assist as requested by Executives. <p>AC LLC has approval rights on all third-party financing arrangements.</p>
Back Office Infrastructure	<p>Identifying and completing necessary buildout of middle and back office requirements of Adirondack</p> <ul style="list-style-type: none">• Stellex operations personnel to assist as requested by Executives.• Stellex will provide necessary back-office and administrative infrastructure unless agreed standalone capability is required. <p>AC LLC has approval rights on any contracts with third parties to provide support services related hereto.</p>
Pre-Closing ACV Portfolio Construction	<p>In advance of the closing on first ACV capital commitments, Executives will present to and secure approval of the Investment Committee on their plan for:</p> <ul style="list-style-type: none">• Initial portfolio construction by asset class.• Actionable investment targets that could be expected to result in the deployment of approximately 1/3 of capital commitments in the first 90 days post-closing.

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Organization	<p>Identification and retention of investment team and support staff necessary to implement the Adirondack strategy.</p> <p>With respect to compensation matters, two points of emphasis are made as follows:</p> <ol style="list-style-type: none"> 1. Carried interest to other Adirondack team members shall only come from the Executives' share of carried interest on a basis they so determine; and 2. The goal of Adirondack should be to be self-funding.
Budgeting	Preparation of annual budgets which are subject to AC LLC approval.
Fundraising	Consistent with pre-first closing responsibilities for future funds.
Financing	Maintain, negotiate and execute on necessary future financing programs pertaining to the Adirondack investment strategy; all agreements remain subject to AC LLC approval.
ACV Activities	<p>Consistent with Adirondack's investment strategy, Executives will be responsible for various responsibilities relating to investments made by Adirondack including, but not limited to:</p> <ul style="list-style-type: none"> • Investment Research • Sourcing • Evaluation and Due Diligence • Execution • Monitoring • Exit • Other activities that would be typical for funds of this nature
Investment Committee	<p>In their roles as Fund Heads, the Executives will have significant responsibilities in determining the investments made by ACVs. Unless otherwise amended subsequently at the request of investors in such vehicles and in addition to any restrictions placed on them by ACV LPAs, it is contemplated that the Fund Heads will need to seek Investment Committee approval for the following actions including, but not limited to:</p> <ol style="list-style-type: none"> 1. Investment by an ACV in debt obligations or other securities (through one or multiple issues) of one issuer (including through any

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affiliated entities) greater than [5%] of the total capital commitments for such ACV

2. Investment by an ACV in debt obligations or other securities (through one or multiple issues from one or multiple issuers) within the same industry greater than [10%] of the total capital commitments for such ACV
3. Any action to increase leverage on ACV or any of its/their underlying investments beyond pre-approved levels
4. Investments not consistent with Adirondack's strategy
5. Investments in companies primarily located outside the United States
6. Other matters the parties may mutually deem applicable.

Other Investing Activities

Subject to any prohibitions in ACV LPAs, the Executives shall have the same opportunities and rights afforded to them prior to final closing of the first ACV

AGREED AND ACCEPTED this 1 day of March 2018:

STELLEX CAPITAL MANAGEMENT LP



Michael D Stewart
Managing Partner



Adi Pekmezovic